

## 1. Policy Purpose

The purpose of Council's policy is to:

- 1.1 Establish good governance arrangements to facilitate the responsible issue and use of a Corporate Credit Card by Councillors and Council employees.
- 1.2 Ensure transparency to reduce the risk of fraud and misuse in Council's operations concerning the use of Corporate Credit Cards.

The application of this policy is to be in conjunction with the Maranoa Regional Council Code of Conduct and any legislative requirements of the *Local Government Act 2009* and *Local Government Regulation 2012*.

## 2. Policy Scope

This policy applies to the use of Corporate Credit Cards by Councillors and employees of Maranoa Regional Council in accordance with *Local Government Act 2009* and *Local Government Regulation 2012*.

## 3. Policy Detail

- 3.1 Corporate Credit Cards in some instances are often necessary for the purchasing of goods and services.
- 3.2 Sound financial management principles as required by the *Local Government Regulation 2012* and dictate that Council develop a clear and comprehensive Policy to allow implementation of appropriate internal controls for purchasing.
- 3.3 Corporate Credit Cards have been implemented to allow Council to transact its business in a more efficient manner and at the same time provide Councillors and Council employees with a more convenient method to meet costs they incur on Council's behalf.
- 3.4 Corporate Credit Cards will be recognised as a valuable tool for the efficient and effective operation of Councils daily business and not as a benefit assigned to specific individuals.

***The use of Corporate Credit Cards will create savings in staff administration time in matters such as arranging transport, accommodation and registration for attendance at conferences and workshops.***

- 3.5 It will also reduce the high number of creditor creations that are required for one-off purchases.
- 3.6 Credit cards must be subject to appropriate controls to protect Council funds, maintain the integrity of governance processes and maintain public confidence in Council's operations.

## 4. Policy Details

### 4.1 Issuing of Corporate Credit Cards

- 4.1.1 The Chief Executive Officer has the delegated authority to authorise the issuing of Corporate Credit Cards to Councillors and employees.
- 4.1.2 Once approved the application must be signed by the cardholder and two (2) signatories to Council's bank accounts.
- 4.1.3 Corporate Credit Cards will only be issued when it is established that the anticipated usage of the card is warranted.
- 4.1.4 The cardholder shall acknowledge and accept the conditions of use of the Maranoa Regional Council Corporate Credit Card and shall be advised of any limits (dollar thresholds) applicable to the card.

#### **Refer Attachment 1: Corporate Credit Cardholder Agreement**

- 4.1.5 Each corporate credit card issued will be in accordance with financial delegation as authorised by the Chief Executive Officer.

### 4.2 Corporate Credit Card Responsibilities

***The use of Corporate Credit Cards shall not be used to replace or as an alternative to the existing purchasing arrangements that Council has in place.***

- 4.2.1 Corporate Credit Cards are to be maintained in a secure manner and guarded against improper use. Credit card details are not to be released to anyone. Credit card purchases are to be through the cardholder.
- 4.2.2 Corporate credit cards are to be used only for Maranoa Regional Council official activities, there is no approval given for any private use. **In instances where it has been confirmed that a one-off charge was a genuine mistake, it must be notified by the cardholder to the Chief Executive Officer and reimbursed as a matter of urgency.**
- 4.2.3 All documentation regarding a corporate credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.
- 4.2.4. Credit Limits are not to be exceeded.
- 4.2.5 The use of the credit card shall not be tied to any type of reward system that provides the cardholder with any personal benefit or reward e.g. Frequent Flyer, Woolworths Rewards, etc.
- 4.2.6 Corporate credit cards are to be returned to the Lead Accounts Processing Officer / Systems Administrator on or before the employee's termination date with a full acquittal of expenses.

- 4.2.7 Purchases are to be for Council purposes only, and not for purchase of goods or services on behalf of other entities. Types of approved Council purchases may include:
- computer software;
  - equipment and licensing resource materials;
  - accommodation and travel expenses for Council business (including meal expenses incurred during business trips);
  - conference / seminar fees;
  - online transactions (eg. to government departments);
  - small transactions (<\$500) if it is impractical to register a supplier with Council's financial system; and
  - for members of the Local Development Team, expenditure related to the conduct of community events that are held after normal business hours. Please note that reasonable steps should be taken to pre-purchase the goods/services via other means (e.g. Purchase Orders during normal business hours). If the transaction is >\$1,000 ex GST, multiple quotes are required (unless an exception applies as referenced in clause 4.8.9).
- 4.2.8 Credit Cards are not to be used for Entertainment and Hospitality unless the Mayor (or delegate) is hosting dignitaries to the region in accordance with the Expenses Reimbursement Policy.

### 4.3 Reconciliation procedures

- 4.3.1 Monthly reconciliations of the credit card purchases are to be completed within seven (7) days of the date of the corporate credit card statement being issued to the cardholder.
- 4.3.2 Transactions will be supported by a GST invoice stating the type of goods/services purchased, amount of goods/services purchases and the price paid for the goods/services. The tax invoice/receipt shall meet the requirements of the *Goods and Services Tax Act 1999* to enable a GST rebate to be applied.
- Note: A credit card receipt or EFTPOS receipt that does not include itemised purchase details is NOT a tax invoice and is not evidence of a transaction for GST purposes***
- 4.3.3 Transactions shall be accompanied by:
- a succinct explanation of why the expense was incurred and the name of the supplier;
  - a general ledger/work order number for costing purposes.

This information shall be provided within the completed Corporate Credit Card Monthly Reconciliation (Attachment 2).

- 4.3.4 If the credit card holder cannot produce a receipt for a Council expense and seeks payment to be made, then the credit card holder is to provide a statutory declaration to confirm that the expenditure is of a Council business nature prior to the payment being made. However, if this happened on more than 3 occasions, the credit card may be cancelled. The alternative is for the cardholder to reimburse Council for the expense that is not supported by a receipt and tax invoice.
- 4.3.5 The cardholder shall sign and date the credit card statement with supporting documentation attached. This will then be sent to the Lead Accounts Processing Officer / Systems Administrator for processing.
- 4.3.6 A template is attached to this policy identifying the reconciliation requirements (Attachment 2).

#### **4.4 Review of Corporate Credit Card Use**

- 4.4.1 The staff member's supervisor shall review and approve the monthly expenditure undertaken by each cardholder. All receipts and documentation will be reviewed and any expenses that do not appear to represent fair and reasonable business expenses shall be referred to the Manager – Procurement & Commercial Services.
- 4.4.2 On a monthly basis, the Lead Accounts Processing Officer / Systems Administrator will review the individual corporate credit card limit, usage patterns and missing receipts, internal controls and risk management relating to the corporate credit card usage. A summary of the review will be documented and referred to the Chief Executive Officer.
- 4.4.3 External scrutiny of the credit card expenditure will also be encouraged as part of the external audit process of Council's finances.
- 4.4.4 Credit card holders who are consistently late in returning their reconciliations will be required to show cause as to why their credit card should not be withdrawn.

#### **4.5 Review of Credit Card Limits**

Credit limits are to be reviewed annually for all cardholders. If there is a request for a variation to the monthly limit, a business case will need to be provided to the Chief Executive Officer for consideration.

#### **4.6 Withdrawal of Credit Cards**

Upon a cardholder's termination or extended leave, the corporate credit card and a full acquittal of expenses must be sent no later than the last day of work to the Lead Accounts Processing Officer / Systems Administrator for processing.

## 4.7 Procedures for Lost, Stolen and Damaged Cards

- 4.7.1 If a card is lost, stolen or damaged, the person responsible for the card shall immediately notify the card provider regardless of the time or day discovered. The cardholder must also advise the Lead Accounts Processing Officer / Systems Administrator as soon as practicable. The cardholder will also be required to complete a Statutory Declaration Form (attachment 3) and forward it to the Lead Accounts Processing Officer / Systems Administrator prior to replacement action being carried out.
- 4.7.2 Advice of a damaged card is to be provided to Lead Accounts Processing Officer / Systems Administrator who will arrange a replacement card.

## 4.8 Restrictions

- 4.8.1 Corporate credit cards are not to be used for personal expenses, or expenses incurred by other organisations, under any circumstances. A Council credit card cannot be used for travel, food and beverages for accompanying partners on business trips.
- 4.8.2 Corporate credit cards are not to be used for the purchase of alcohol or confectionery.
- 4.8.3 Wherever practical, at businesses where Council has accounts (e.g: Woolworths, IGA and Sunshine Hardware), normal procurement practices are to be followed by officers. However, it is noted that at times (e.g. outside normal business hours), credit card use will be required. It may also be the most practical option for Councillors.
- 4.8.4 Corporate credit cards should only be used for purchases of fuel for Council vehicles when our contracted fuel supplier (Caltex) is not available. Staff should use their vehicles fuel card for normal fuel purchases.
- 4.8.5 The use of corporate credit cards for “services of a dubious nature” is expressly prohibited. “Services of a dubious nature” are defined as any goods or services that might bring the Council into disrepute e.g: firearm ammunition, weapons or explosives (unless required by members of the Airports and/or Rural Land Services teams for legitimate Council business).
- 4.8.6 Use of corporate credit cards for purchases over the internet should be restricted to trusted and secure sites that are based in Australia.
- 4.8.7 The cardholder will be personally liable for any purchasing that cannot be shown to be related to the business of Council.
- 4.8.8 All IT hardware/software, licensing, equipment, mobile phones and cameras are not to be purchased using the corporate credit card. Purchases of these items are to be purchased through the IT department only. This will ensure compatibility with current and future software and hardware systems. The IT department will be able to determine whether they are capable of effecting support and maintenance for any purchases of IT items.
- 4.8.9 Corporate credit cards shall not be used for obtaining cash from any source.

- 4.8.10 Purchases of \$1,000 - \$5,000 (ex GST) should **NOT** be made with a credit card **unless additional quotes have been sought** (i.e. credit card use is not a method to bypass the quotation process unless it is truly specialised (government agency, specialised training, flights, online transactions)).
- 4.8.11 Please consider if the order may require amendments/cancellation. If this is the case, a Purchase Order is a more appropriate method of engagement as the expenditure is committed **AFTER** the goods are received.

## 4.9 Disputed Transactions

Council is responsible for paying all accounts on the monthly corporate credit card statements and the bank will debit this amount from Council's bank account at the end of each month on the due date.

When a dispute occurs:

The cardholder should attempt to correct the situation with the merchant. If unable to correct the situation, the cardholder will need to contact the Lead Accounts Processing Officer / Systems Administrator, who will then contact the financial institution to help resolve the matter.

The financial institution can assist with resolving some disputes with merchants, particularly those involving duplicated charges, non-receipt of goods ordered or credits not processed after refund vouchers have been issued.

## 4.10 Corporate Credit Card Misconduct

Wherever a breach of policy occurs, the Chief Executive Officer will assess the nature of the breach and may refer the matter to the Queensland Police Service and the Crime and Corruption Commission for investigation, or institute an appropriate disciplinary process in accordance with the Maranoa Regional Council's Code of Conduct for Councillors and Maranoa Regional Council's Code of Conduct for Employees.

## 5. Related Policies and Legislation

Local Government Act 2009

Local Government Regulation 2012

## 6. Associated Documents

Procurement Policy

Expenses Reimbursement Policy (Councillors)

Code of Conduct for Councillors

Council Code of Conduct for Employees

Entertainment and Hospitality Expenditure Policy

Crime and Corruption Commission Guidelines for Using Corporate Credit Cards

## 7. Attachments

Attachment 1      Corporate Credit Cardholder Agreement

- Attachment 2 Corporate Credit Card Monthly Reconciliation
- Attachment 3 Statutory Declaration
- Attachment 4 Corporate Credit Card Disputed Transaction

**DATE REVIEWED**

October 2018

**NEXT REVIEW DATE**

Version Control

| Version | Reason/Trigger | Change | Endorsed by | Date       |
|---------|----------------|--------|-------------|------------|
| 1.0     | New            |        | Council     | 04/09/2008 |
| 1.01    | Review         | Yes    | Council     | 25/11/2009 |
| 1.02    | Review         | Yes    | Council     | 28/11/2018 |

**ATTACHMENT 1**

**CORPORATE CREDIT CARDHOLDER AGREEMENT**

**CARD DETAILS**

Credit Card Number: \_\_\_\_\_

Cardholder's Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AGREEMENT**

I hereby acknowledge that I have been delegated use of a Maranoa Regional Council Corporate Credit Card and agree that:

1. I will not use the Corporate Credit Card, nor permit for it to be used, for any purpose other than for official business purposes;
2. I will ensure security of the Corporate Credit Card at all times;
3. If the Corporate Credit Card is lost or stolen, I will immediately report it to the card provider regardless of the time or day discovered and also advise the Lead Accounts Processing Officer / Systems Administrator as soon as practicable;
4. I will ensure that I follow the procedures as outline in Council's Credit Card Policy when making any purchases;
5. If my position with Maranoa Regional Council ends or I am asked to surrender the card for any other reason, I will immediately return the card to the Lead Accounts Processing Officer / Systems Administrator;
6. I will retain all original supporting documentation that meets the requirements of a tax invoice for reconciliation purposes;
7. If I misuse the Corporate Credit Card, Council will reserve the right to cancel the card and I may also be liable for disciplinary action.

Signature of Cardholder: \_\_\_\_\_ Date: \_\_\_\_\_

Witness Name: \_\_\_\_\_ Signature: \_\_\_\_\_

**Please return the completed form to Lead Accounts Processing Officer / Systems Administrator for filing – Thankyou**



**ATTACHMENT 2**

**CORPORATE CREDIT CARD MONTHLY RECONCILIATION**

*Note: This form is to be completed and forwarded to the Lead Accounts Processing Officer / Systems Administrator with the monthly reconciliation*

|                              |  |
|------------------------------|--|
| <b>CARD DETAILS</b>          |  |
| Credit Card Number: _____    |  |
| Cardholder's Name: _____     |  |
| Signature: _____ Date: _____ |  |

| Transaction Date | Supplier | Purchase Description | GL/WO No:      | Amount |
|------------------|----------|----------------------|----------------|--------|
|                  | NAB      | Credit Card Fees     | 2101.2039.2015 |        |
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I certify that all purchases are of a business nature.

Director / Manager Approval:

Name: \_\_\_\_\_ Department: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**ATTACHMENT 3**

**Oaths Act 1867**

**Statutory Declaration**

**QUEENSLAND  
TO WIT**

I, **[insert full name]**, of **[insert address]**, in the State of Queensland do solemnly and sincerely declare that **[insert matters to be declared]**.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act 1867.

**[Signature of person making the declaration]**

Declarer

Taken and declared before me at **[insert name of town or city and suburb where affidavit signed]** this **[insert date]** day of **[insert month]** 20**[insert year]**, before me.

**[signature]**

Justice of the Peace/Commissioner for Declarations

### ATTACHMENT 4

## CORPORATE CREDIT CARD DISPUTED TRANSACTIONS

*Note: This form is to be completed and forwarded to the Lead Accounts Processing Officer / Systems Administrator with the monthly reconciliation*

**CARD DETAILS**

Credit Card Number: \_\_\_\_\_

Cardholder's Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

| Transaction Date | Supplier | Purchase Description | GL/WO No: | Amount |
|------------------|----------|----------------------|-----------|--------|
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Director / Manager Approval:

Name: \_\_\_\_\_ Department: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_